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Your wildcard search against 2000 terms has yielded the results below

Search for additional matches among the next 2000 terms

starting with: DIFFEREN$(DIFFERENTIAL.B.SUB.A).P28-P86.

Search Results -

Terms	Documents
reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8

Database:

US Patents Full-Text Database
US Pre-Grant Publication Full-Text Database
JPO Abstracts Database
EPO Abstracts Database
Derwent World Patents Index
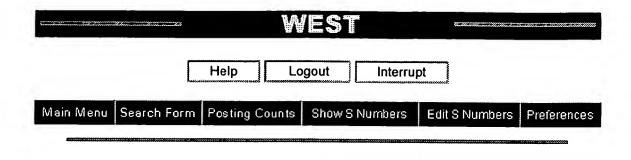IBM Technical Disclosure Bulletins

Refine Search:

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reconcil$ and (discrepancy or differen$)
and  buyers and sellers and (request
adj2 (good or services))
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Clear

Search History

Today's Date: 6/18/2001

DB Name	Query	Hit Count	Set Name
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8	L2
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or servives))	2	L1

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Your wildcard search against 2000 terms has yielded the results below

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starting with: DIFFEREN$(DIFFERENTIAL.B.SUB.A).P28-P86.

Search Results -

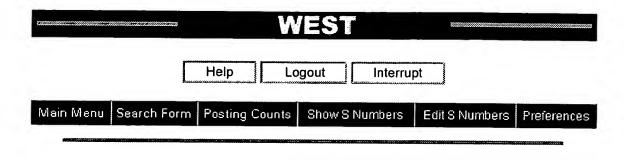| Terms	Documents
reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8

Database:
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US Patents Full-Text Database
US Pre-Grant Publication Full-Text Database
JPO Abstracts Database
EPO Abstracts Database
Derwent World Patents Index
IBM Technical Disclosure Bulletins
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| Refine Search: | reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services)) | Clear |

Search History

Today's Date: 6/18/2001

DB Name	Query	Hit Count	Set Name
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8	L2
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or servives))	2	L1

WEST

| Help | Logout | Interrupt |

| Main Menu | Search Form | Posting Counts | Show S Numbers | Edit S Numbers | Preferences |

Your wildcard search against 2000 terms has yielded the results below

| Search for additional matches among the next 2000 terms |

starting with: DIFFEREN$(DIFFERENTIAL.B.SUB.A).P28-P86.

Search Results -

Terms	Documents
reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8

Database:

```
US Patents Full-Text Database
US Pre-Grant Publication Full-Text Database
JPO Abstracts Database
EPO Abstracts Database
Derwent World Patents Index
IBM Technical Disclosure Bulletins
```

| Refine Search: | reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services)) | Clear |

Search History

Today's Date: 6/18/2001

DB Name	Query	Hit Count	Set Name
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8	L2
USPT	reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or servives))	2	L1

WEST

Your wildcard search against 2000 terms has yielded the results below

Search for additional matches among the next 2000 terms

Generate Collection

Search Results - Record(s) 1 through 8 of 8 returned.

☐ 1.   Document ID: US 6202054 B1

L2: Entry 1 of 8   File: USPT   Mar 13, 2001

US-PAT-NO: 6202054
DOCUMENT-IDENTIFIER: US 6202054 B1
TITLE: Method and system for remote delivery of retail
banking services

| Full | Title | Citation | Front | Review | Classification | Date | Reference | Claims | KWIC | Draw Desc | Image |

☐ 2.   Document ID: US 6151582 A

L2: Entry 2 of 8   File: USPT   Nov 21, 2000

US-PAT-NO: 6151582
DOCUMENT-IDENTIFIER: US 6151582 A
TITLE: Decision support system for the management of an
agile supply chain

| Full | Title | Citation | Front | Review | Classification | Date | Reference | Claims | KWIC | Draw Desc | Image |

☐ 3.   Document ID: US 6078906 A

L2: Entry 3 of 8   File: USPT   Jun 20, 2000

US-PAT-NO: 6078906
DOCUMENT-IDENTIFIER: US 6078906 A
TITLE: Method and system for providing a document service
over a computer network using an automated brokered auction

| Full | Title | Citation | Front | Review | Classification | Date | Reference | Claims | KWIC | Draw Desc | Image |

☐ 4.   Document ID: US 5952638 A

L2: Entry 4 of 8   File: USPT   Sep 14, 1999

US-PAT-NO: 5952638
DOCUMENT-IDENTIFIER: US 5952638 A
TITLE: Space efficient method of electronic payments

Full	Title	Citation	Front	Review	Classification	Date	Reference	Claims	KWIC	Draw Desc	Image

☐ 5. Document ID: US 5913203 A

L2: Entry 5 of 8   File: USPT   Jun 15, 1999

US-PAT-NO: 5913203
DOCUMENT-IDENTIFIER: US 5913203 A
TITLE: System and method for pseudo cash transactions

Full	Title	Citation	Front	Review	Classification	Date	Reference	Claims	KWIC	Draw Desc	Image

☐ 6. Document ID: US 5870724 A

L2: Entry 6 of 8   File: USPT   Feb 9, 1999

US-PAT-NO: 5870724
DOCUMENT-IDENTIFIER: US 5870724 A
TITLE: Targeting advertising in a home retail banking
delivery service

Full	Title	Citation	Front	Review	Classification	Date	Reference	Claims	KWIC	Draw Desc	Image

☐ 7. Document ID: US 5826244 A

L2: Entry 7 of 8   File: USPT   Oct 20, 1998

US-PAT-NO: 5826244
DOCUMENT-IDENTIFIER: US 5826244 A
TITLE: Method and system for providing a document service
over a computer network using an automated brokered auction

Full	Title	Citation	Front	Review	Classification	Date	Reference		KWIC	Draw Desc	Image

☐ 8. Document ID: US 5732400 A

L2: Entry 8 of 8   File: USPT   Mar 24, 1998

```
US-PAT-NO: 5732400
DOCUMENT-IDENTIFIER: US 5732400 A
TITLE: System and method for a risk-based purchase of goods
```

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

Generate Collection
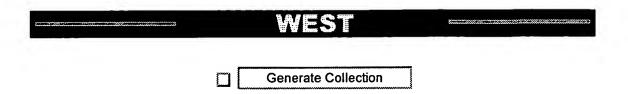
Terms	Documents
reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8

Display   20 Documents, starting with Document: 8

Display Format: TI   Change Format

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☐ | Generate Collection |

L2: Entry 7 of 8   File: USPT   Oct 20, 1998

US-PAT-NO: 5826244
DOCUMENT-IDENTIFIER: US 5826244 A

TITLE: Method and system for providing a document service over
a computer network using an automated brokered auction

DATE-ISSUED: October 20, 1998

INVENTOR-INFORMATION:
NAME   CITY   STATE ZIP CODE COUNTRY
Huberman; Bernardo A.   Palo Alto   CA   N/A   N/A

ASSIGNEE-INFORMATION:
NAME   CITY   STATE ZIP CODE COUNTRY TYPE CODE
Xerox Corporation   Stamford   CT   N/A   N/A   02

APPL-NO: 8/ 518632
DATE FILED: August 23, 1995

INT-CL: [6] G06F 17/60
US-CL-ISSUED: 705/37; 705/26, 705/35
US-CL-CURRENT: 705/37; 705/26, 705/35
FIELD-OF-SEARCH: 235/61M, 340/825.3, 379/88, 379/92, 395/226,
395/228, 395/236, 395/237, 395/239, 395/240, 395/242, 395/244,
705/26, 705/28, 705/35, 705/36, 705/37, 705/39, 705/40, 705/42,
705/44

PRIOR-ART-DISCLOSED:

U.S. PATENT DOCUMENTS

| Search Selected | | Search ALL |

PAT-NO	ISSUE-DATE	PATENTEE-NAME	US-CL
☐ Re32115	April 1986	Locwood et al.	235/381
☐ 3581072	May 1971	Nymeyer	395/237
☐ 4567359	January 1986	Lockwood	235/381
☐ 4799156	January 1989	Shavit et al.	395/226
☐ 4839829	June 1989	Freedman	364/519
☐ 5243515	September 1993	Lee	395/237
☐ 5287194	February 1994	Lobiondo	358/296
☐ 5339168	August 1994	Evanitsky et al.	358/402
☐ 5394324	February 1995	Clearwater	364/402

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Williams, M.E. "The Next Bid Thing," Wired, Sep. 1995, pp. 51-54.

Myerson, Roger B., "Analysis of Conflict", Game Theory, Harvard University Press, 1991, pp. 483-536.

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Agorics, Inc. home page document. Obtained on Aug. 21, 1995 from Internet FTP site ftp://ftp.netcom.com/pub/ag/agorics/agorics.html.

Agorics, Inc. profile document. Obtained on Aug. 21, 1995 from Internet FTP site ftp://ftp.netcom.com/pub/ag/agorics/profile.html.

Xerox Press Release, Xerox Unveils "Electronic Storefront"for Printers, InterDoc software uses the Internet to create new market opportunity for printers, New York, Jun. 27, 1995.

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Stephen W. Wildstrom, Editor., "In Search of the Paperless Contract," Business Week, Aug. 29, 1994 p. 14.

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Waldspurger, C.A., Hogg, T., Huberman, B.A., Kephart, J.O., Stornetta, W.S., "Spawn: A Distributed Computational Economy", IEEE Transactions on Software Engineering, vol. 18, No. 2, Feb. 1992, pp. 103-117.

Huberman, B.A., Hogg, T., "Distributed Computation as an Economic System", Journal of Economic Perspectives, vol. 9, No. 1, Winter 1995, pp. 141-152.

Miller, M.S., Drexler, K.E., "Markets and Computation: Agoric Open Systems", The Ecology of Computation, ed. Huberman, B.A., pp. 133-176.

Malone, T.W., Fikes, R.E., Grant, K.R., Howard, M.T., "Enterprise: A Market-like Task Scheduler for Distributed Computing Environments", The Ecology of Computation, ed.

Huberman, B.A., pp. 177-205.
Ross A. Gagliano et al., "Simulation of a Market Model for Distributed Control, " Record of Proceedings, pp. 171-187, The 21st Annual Simulation Symposium, Mar. 16-18, 1988, Tampa, Florida.
Martin D. Fraser et al., "The Simulation of a Distributed Control Model for Resource Allocation and the Implied Pricing," Record of Proceedings, pp. 81-92, The 22nd Annual Simulation Symposium, Mar. 28-31, 1989, Tampa, Florida.
Martin D. Fraser et al., "Modeling the Cost of Resource Allocation in Distributed Control, " Record of Proceedings, pp. 151-164, The 23rd Annual Simulation Symposium, Apr. 23-27, 1990, Nashville, Tennessee.
James F. Kurose et al., "A Microeconomic Approach to Optimal Resource Allocation in Distributed Computer System," IEEE Transactions on Computers, vol. 38, No. 5., May 1989.
James F. Kurose et al., "A Microeconomic Approach to Decentralized Optimization of Channel Access Policies in Multiaccess Networks," IEEE Publication, pp. 70-77, 1985.

ART-UNIT: 271
PRIMARY-EXAMINER: Tkacs; Stephen R.
ABSTRACT:

A system and method to enable and facilitate networked, automated, brokered auctioning of document services. A plurality of processes are executed, including a customer process representing a customer, a supplier process representing a supplier, and a broker process capable of serving as an intermediary between the customer and supplier processes. The broker process is provided with a description of a document service. Responsively to the description thus provided, an auction for the document service is conducted, as follows: a customer or supplier process submits a bid for the document service; the broker process receives bidding information including the submitted bid; the broker process attempts to establish a price for the document service responsively to the received bidding information and, if a price can be established, establishes the price; if a price is established, the broker process proposes a transaction wherein the document service is to be provided at the established price; and if the proposed transaction is accepted, it can proceed automatically.

2 Claims, 6 Drawing figures

WEST

☐ | Generate Collection |

L2: Entry 7 of 8   File: USPT   Oct 20, 1998

DOCUMENT-IDENTIFIER: US 5826244 A
TITLE: Method and system for providing a document service over
a computer network using an automated brokered auction

BSPR:
At page 106, the Spawn system is described as being "organized
as a market economy composed of interacting buyers and sellers.
The commodities in this economy are computer processing
resources; specifically, slices of CPU time on various types of
computer workstations in a distributed computational
environment." Thus the Spawn system pertains to a simulated or
fictitious marketplace for access to computational resources.

DEPR:
In a specific embodiment that will now be described, the
invention contemplates a brokered auction in which, for
example, a customer who needs a particular document services
job done can provide a request for these services to a broker.
Suppliers can bid competitively on the request by submitting
bids to the broker, who auctions the job off to (for example)
the lowest bidder.

DEPR:
The invention can facilitate the growth of an open market for
document services, a market whose business practices are very
different from the secretive pricing practices of today. In
this new market, customer requests can be placed rapidly and
continuously, and many customer requests can be placed
simultaneously. Suppliers can respond very quickly to the
customer requests with competitive bids, and brokers can
rapidly conduct computerized auctions to match customers with
suppliers. It is possible for a final transaction to be ready
for customer confirmation and subsequent execution within
seconds, or even milliseconds, of a customer's initial request,
even if the customer is in Chicago, the winning supplier in Los
Angeles, and the broker a distributed entity somewhere in
cyberspace.

DEPR:
Although the term "process" is used here for the elements
labeled 150 in FIG. 1, persons of skill in the art will
appreciate that other software entities that perform work over
time, such as threads, tasks, or intelligent agents, can be
used in some embodiments. Also, though "process" is spoken of
in the singular, it will be understood that multiple processes
can be involved and can be carried out in sequence or

contemporaneously with one another. For example, a broker can be represented in network 100 as a collection of many processes running at once. Each such process can be associated with a different auction, or multiple processes with a single auction, or a single process with multiple auctions.

DEPR:
Processes 150 can communicate with one another through interprocess communication pathways 160, which support such communication through communications protocols. For example, communications protocols such as TCP/IP, ATM, Ethernet, or proprietary protocols can be used, and different protocols can be used in different pathways 160 or along different portions of a given pathway 160. Pathways 160 can be continuous, as where a process 150 maintains constant contact with another process 150, or intermittent, as where a process 150 establishes contact with another process 150 at the beginning of an auction or transaction and ceases contact at the end of the auction or transaction.

DEPR:
Persons of skill in the art will appreciate a great range of possibilities for practicing the invention using different networking hardware and software configurations.

DEPR:
Ordinarily, the same real-world entity does not participate as both customer and supplier in a given auction. However, the same real-world entity can participate as supplier in one auction and as customer in a related auction or auctions. For example, suppose a print shop receives a contract to perform a document service for an end customer by being the winning supplier in a first auction. The print shop can then seek to subcontract part of this work to another print shop by bidding as a customer in a second auction in which potential subcontractors participate as suppliers. Accordingly, with respect to different but possibly related auctions, a single real-world entity can be represented both by a customer process 210 and by a supplier process 220, which, respectively, correspond to the entity's distinct roles as customer and supplier in the different auctions.

DEPR:
The flowchart of FIG. 3 illustrates the sequence of steps in an automated document services auction in the specific embodiment. It is assumed in FIG. 3 that a customer process 210 acts on behalf of a real-world customer who has a document services job to be done and who seeks a real-world supplier, represented by one of supplier processes 220, to do the job at an acceptable price. Different supplier processes 220, each acting on behalf of a real-world supplier, can compete for the job by bidding against each other in the auction. Broker process 230 oversees the auction and acts as auctioneer. More specifically, for concreteness of exposition, the customer process in FIG. 3 is taken to be customer process 210a, although it could be any of customer processes 210. Similarly, the supplier processes that submit the winning and potentially winning bids are taken to be

among supplier processes 220a, 220b, 220c although they could
be any of supplier processes 220.

DEPR:
Persons skilled in the art will appreciate that auctions can be
of different types, having different rules, practices, or
methodologies according to which bids are accepted and
evaluated. For example, in some types of auctions, information
is available to bidders about each other's bids during the
bidding, whereas in other types of auctions, each bidder knows
only its own bid. As another example, the type of auction can
affect the way in which price is determined upon close of
auction. Thus, in a sealed-bid second-price auction, no bidder
knows the value of any bid other than its own, and the final
price is set according to the second-place bidder's bid rather
than according to the winner's bid.

DEPR:
The type of auction used in the specific embodiment can be
chosen according to the circumstances of the marketplace and
the particular auction, taking into account considerations such
as customer and supplier preferences and the nature and
characteristics of the document service being auctioned. Any
number of different types of auctions can be used. Some
illustrative examples are sealed-bid second-price auctions,
English auctions, and Dutch auctions. These and other types of
auctions are well described in the literature on auctions and
auction theory. Whichever type of auction is used, the type of
auction will be reflected in the software of broker process
230, which oversees the auction, and also possibly in the
software of customer processes 210 and supplier processes 220,
which participate in the auction.

DEPR:
Having selected a winning bid or potential winning bid or bids,
broker process 230 automatically determines a price or prices
associated with these bid or bids in accordance with the type
of auction held (step P) and automatically generates, for
consideration by the customer, a proposed transaction or a
selection of proposed transactions incorporating these prices
(step Q). Typically, the prices are the same as the bid prices,
and the proposed transactions are ones in which a supplier will
provide the customer with the requested document service for
the supplier's bid price. Thus, for example, if supplier
processes 220a and 220b respectively bid $75 and $80, and these
bids are selected as potential winners, broker process 230
typically will propose a selection of a transaction between the
customer represented by customer process 210a and the supplier
represented by supplier process 220a, in which the supplier
provides the document service for $75, and a transaction
between the customer represented by customer process 210a and
the supplier represented by supplier process 220b, in which the
supplier provides the document service for $80. However, the
proposed transaction prices can be determined in other ways. In
particular, for certain types of auctions, such as sealed-bid
second-price auctions, a proposed transaction between the
customer and a winning supplier (as determined by lowest bid

price or other criteria) can specify a price <u>different</u> from
what the winning supplier actually bid. For example, if (in
step O) broker process 230 selects a single winning bid made by
supplier process 220a in a sealed-bid second-price auction, the
proposed transaction (produced in steps P and Q) will be one in
which the supplier represented by supplier process 220a will
provide the customer represented by customer process 210a with
the requested document service for the second-lowest bid price,
that is, the price of the bid that was made by supplier process
220b.

DEPR:
Prices and related information can be broadcast for <u>different</u>
kinds of document services jobs that are agreed upon as
standard in the industry or marketplace. Prices can be
expressed, for example, as a price per page for a specified
quantity of pages printed, reproduced, scanned, etc. As an
example, the price per page can be the price for laser printing
a page of black-and-white text; more precisely, it can be, for
example, the price of printing an 8 1/2".times.11" page of
black-and-white text at 600 dots per inch (dpi) onto 25-percent
rag paper, in a minimum quantity of 1000 printed pages, with
the text to be sent over the network by the customer in one of
several industry-standard formats, and delivery of the printed
output to be at the customer's place of business within the
continental United States by 10:30 a.m. the next business day.
As another example, prices and related information could be
publicized for other jobs such as, for example, scanning and
character-recognizing an A4 page of highlight-color text at 300
dpi resolution onto CD-ROM in minimum of 1000-page quantities
with delivery in 6 hours, or dye-sublimation printing of a
photographic image on acid-free large-format glossy paper in
four-color CMYK format at 1200 dpi in minimum of 1-page
quantities with delivery in 2 days and a 10-day money-back
guarantee. These examples are merely suggestive, and many other
possibilities for document services jobs that can be agreed
upon as standard, as well as suitable descriptions thereof,
will be apparent to persons skilled in the art.

DEPR:
Earlier, it was described how a customer process can specify a
reservation or maximum allowable price to broker process. This
reservation price can be thought of as representing the
customer's bid for the job. Accordingly, multiple customer
processes can bid against each other in an automated document
services auction of the invention by asserting their respective
reservation prices as bids. This can be advantageous, for
example, when the job being auctioned is a standard job that
can be useful to many <u>different</u> customers.

DEPR:
Thus far, individual automated document services auctions and
transactions have been described. Typically, however, a
marketplace involves an ongoing series or stream of auctions
and transactions. For example, many customer processes 210 are
likely to request <u>different</u> document services jobs at the same
time. Accordingly, there can be many auctions at once and many

auctions in rapid succession, and different auctions that
overlap in time.

CLPV:
if the bids can be reconciled performing the steps of;

CLPW:
determining in the broker process responsively to the received
bids whether the bids can be reconciled to establish a price,
and

CLPX:
determining responsively to the received bids whether the bids
can be reconciled to establish a price, and

CLPX:
if the bids can be reconciled performing he steps of:

WEST

End of Result Set

☐ Generate Collection

L2: Entry 8 of 8   File: USPT   Mar 24, 1998

US-PAT-NO: 5732400
DOCUMENT-IDENTIFIER: US 5732400 A

TITLE: System and method for a risk-based purchase of goods

DATE-ISSUED: March 24, 1998

INVENTOR-INFORMATION:

NAME	CITY	STATE	ZIP CODE	COUNTRY
Mandler; Maria M.	Wilmette	IL	N/A	N/A
McLaughlin; Ann P.	River Forest	IL	N/A	N/A
Battenfelder; Robert R.	Darien	CT	N/A	N/A
Rouen; James E.	New York	NY	N/A	N/A
Orbach; Levi Y.	Forest Hills	NY	N/A	N/A
Benson; Carol	Oakland	CA	N/A	N/A
Engber; Marjorie	New York	NY	N/A	N/A
Nevens; James E.	Colleyville	TX	N/A	N/A
Krajewski; William Joseph	Thornton	PA	N/A	N/A
Moody; Carol A. Baldwin	Brooklyn	NY	N/A	N/A
Figliozzi; John P.	St. Charles	IL	N/A	N/A
Luke; Keith W.	New Canaan	CT	N/A	N/A
Blemings; Cornelia	Pittsburgh	PA	N/A	N/A
Dixon; Kathleen M.	Chicago	IL	N/A	N/A

ASSIGNEE-INFORMATION:

NAME	CITY	STATE	ZIP CODE	COUNTRY	TYPE CODE
Citibank N.A.	New York	NY	N/A	N/A	02

APPL-NO: 8/ 368290
DATE FILED: January 4, 1995

INT-CL: [6] G06F 17/60
US-CL-ISSUED: 705/26; 395/1, 395/38
US-CL-CURRENT: 705/26; 705/1, 705/38
FIELD-OF-SEARCH: 364/41R, 364/408, 235/379, 235/380, 235/381,
395/201, 395/226, 395/238

PRIOR-ART-DISCLOSED:

U.S. PATENT DOCUMENTS

	Search Selected		Search ALL	

PAT-NO	ISSUE-DATE	PATENTEE-NAME	US-CL
☐ Re32985	July 1989	Nagata et al.	364/401
☐ 4734564	March 1988	Boston et al.	235/380
☐ 4736294	April 1988	Gill et al.	364/408
☐ 4799156	January 1989	Shavit et al.	364/401
☐ 4812628	March 1989	Boston et al.	235/380
☐ 4947028	August 1990	Gorog	235/381
☐ 4994964	February 1991	Wolfberg et al.	364/408
☐ 5239462	August 1993	Jones et al.	364/408
☐ 5293310	March 1994	Carroll et al.	364/408

OTHER PUBLICATIONS

"Systems For Risk," Banker, V144, N822, pp. 76-77, Gerry Claney, Mark Brammer, Aug. 1994.
"Start-Up Offers Payment System For Data Bought Over The Internet," American Banker, V159, U203, pp. 1-3, Mickey Meece.
Ned C. Hill et al, "The Impact of EDI on Credit and Sales", Business Credit, V97, pp. 24-25, Jan. 1995.
Martha M. Heidkamp, "Reaping the Benefits of Finanical EDI", Management Accounting, V72, pp. 39-43, May 1991.

ART-UNIT: 241
PRIMARY-EXAMINER: Hayes; Gail O.
ASSISTANT-EXAMINER: Hughet; William N.
ATTY-AGENT-FIRM: Kenyon & Kenyon

ABSTRACT:

A system and method provides for enabling on-line transactional services among sellers and buyers having no previous relationship with each other. The system includes a financial clearinghouse for receiving a request for goods or services from a buyer and making a real-time determination of a risk classification of the buyer utilizing an on-line repository of credit information. The financial clearinghouse determines a risk-based discount fee as a function of the buyer's risk classification in order to establish a payment amount to the seller from the clearinghouse. If the transaction is authorized by the financial clearinghouse, the financial clearinghouse transmits the payment amount to the seller and transmits an invoice to the buyer for the purchase price of the transaction. The system can also include a broker coupled to the financial clearinghouse for providing an on-line order acceptance and processing capability between the buyers and sellers.

17 Claims, 15 Drawing figures

WEST

End of Result Set

☐ | Generate Collection |

L2: Entry 8 of 8   File: USPT   Mar 24, 1998

DOCUMENT-IDENTIFIER: US 5732400 A
TITLE: System and method for a risk-based purchase of goods

ABPL:
A system and method provides for enabling on-line transactional
services among sellers and buyers having no previous
relationship with each other. The system includes a financial
clearinghouse for receiving a request for goods or services
from a buyer and making a real-time determination of a risk
classification of the buyer utilizing an on-line repository of
credit information. The financial clearinghouse determines a
risk-based discount fee as a function of the buyer's risk
classification in order to establish a payment amount to the
seller from the clearinghouse. If the transaction is authorized
by the financial clearinghouse, the financial clearinghouse
transmits the payment amount to the seller and transmits an
invoice to the buyer for the purchase price of the transaction.
The system can also include a broker coupled to the financial
clearinghouse for providing an on-line order acceptance and
processing capability between the buyers and sellers.

BSPR:
The present invention relates to a system and method for
enabling buyers and sellers of goods to transact with each
other. More particularly, the present invention provides the
transactional capability to buyers of goods to have open
account trade credit with a plurality of sellers and provides
sellers of goods with improved risk assessment and decreased
credit costs for buyers of the goods.

BSPR:
In corporate-to-corporate transactions between major trading
partners, such as two large corporations well-known to each
other, the practice of the selling party providing credit, or
trade terms, to the buyer, is firmly embedded in tradition and
creates strong relationships between such major trading
partners. The same practice, however, creates significant
problems where the buying party is not a major trading partner,
but is a buyer heretofore unknown to the seller.

BSPR:
The selling party in such a transaction may be unwilling to
commit marketing resources to seek and/or close transactions
with these anonymous buyers. The selling party also may be
reluctant to absorb the cost of analyzing and approving credit

exposure, as well as the cost of absorbing credit losses. The expenses associated with expending marketing resources and making informed credit decisions may keep many corporations from exploiting the large but relatively unknown and unpredictable universe of small buyers. The selling corporation must also contend with the problem of collecting payment from numerous small buyers.

BSPR:
In practice, corporate sellers must expend significant resources to make appropriate credit decisions with regard to their minor trading partners.

BSPR:
The above arrangement poses problems for the minor trading partner/buyer as well. The buyer, for example, is often faced with limited access to new vendors and encounters delays in effecting purchases. Moreover, if a vendor to whom the buyer is unknown is unwilling to extend trade credit, the buyer must go through the complex and time-consuming task of obtaining third-party financing (e.g., through a letter of credit, working capital loan or other means) to effect its purchase. However, these methods require negotiations with a lender, usually a bank or a finance company, and carry high transaction costs. They are therefore inappropriate or uneconomical for small to midsize purchases. As a result, many purchases are made from "the usual" vendor, not from a new but unknown vendor who may actually be the most efficient supplier.

BSPR:
As mentioned earlier, in corporate to corporate procurement transactions, it is customary for the transaction to involve some form of credit. This credit, often referred to as "open account trade credit," is provided by the seller, generally at no charge to the buyer, for a set period of time, normally 30 days. Buyers generally do not explicitly pay for the receipt of open account trade credit and consider this free credit part of the established seller/buyer relationship.

BSPR:
In addition to open account credit terms offered by the selling party, there are several other types of commercial credit options. One option for relatively small purchases is a commercial credit card. Credit cards operate by having the institution issuing the credit card, the merchant bank, provide the cardholder with a revolving line of credit that can be used to buy goods from sellers who accept the credit card. The revolving line of credit allows the cardholder to pay for credit card purchases over a period of time at an interest rate set by the merchant bank. For example, VISA.RTM. and MASTERCARD.RTM. Bankcard Association cards represent typical consumer credit cards offering a revolving line of credit.

BSPR:
Once a buyer makes a purchase with the credit card, the seller is paid by the merchant bank, less a predetermined service fee, often referred to as an "interchange fee," and the merchant

bank then invoices the buyer for payment. As an example of a
typical commercial credit card transaction, if a cardholder
makes a $1,000 purchase, the merchant bank then pays the seller
$1,000 less the amount of the interchange fee. For example, if
the issuing institution charges a 2% interchange fee, then the
seller would be paid $980, with $20 remaining with the merchant
bank, the interchange fee usually being shared with the
Bankcard Association.

BSPR:
Another type of commercial credit option is a travel and
entertainment card. An example of a consumer travel and
entertainment card would be an AMERICAN EXPRESS.RTM. card or
DINERS CLUB.RTM. card. Unlike a credit card, a travel and
entertainment card is considered open-ended credit with payment
in full due at the time of billing; it does not extend a
revolving credit line to the buyer/cardholder. A seller paid by
a travel and entertainment card receives the amount of the
transaction less a predetermined discount fee, in a manner
similar to payment received from a credit card purchase. Often,
however, the discount rate for a travel and entertainment card
is higher than the discount fee for a credit card because
travel and entertainment cards are not finance charge driven.

BSPR:
Credit cards and travel and entertainment cards provide a
uniform level of risk assessment to the seller; the seller pays
a predetermined interchange fee regardless of the actual credit
risk presented by the buyer. Thus, the seller does not receive
risked-based pricing from the card-issuing institution
representative of the actual credit risk presented by the
individual buyer. In addition, credit cards and travel and
entertainment cards generally bill cardholders on a regular
basis, e.g. monthly, as opposed to invoice billing that is
often preferred in commercial transactions.

BSPR:
Another application of improved computer technology to
commercial transactions is the emergence of electronic
commerce. Electronic commerce includes the use of electronic
networks as electronic marketplaces for business to business or
consumer transactions. Electronic commerce services can include
electronic brokerages, distributorships or clearinghouses that
facilitate trade via electronic interchange media such as a
public network (e.g., the internet), or proprietary access
networks. For example, electronic commerce services can include
catalog services utilizing electronic networks such as EDI
systems, electronic mail and telephone/facsimile connections,
as well as CD-ROM technology. Electronic commerce services
often operate in real-time and can help reduce distribution
costs and help sellers reach new markets.

BSPR:
Electronic commerce generally does not, however, offer
financial services to the seller such as payment, settlement,
credit assessments of buyers, and collection services. Whereas
credit cards are being adapted for consumer electronic

commerce, they have not specifically addressed the needs of business to business electronic commerce. Thus, there are no current systems for processing low value corporate-to-corporate transactions which handle all aspects of the transaction including electronic brokerage, risk management and electronic payment, and also provide risk assessment of buyers tailored to the credit risk presented by individual buyers. Finally, "smart purchasing" via electronic commerce, by which buyers and sellers can structure the most efficient transactions by searching electronically for the best available counterparty, is defeated by the need to rely on traditional techniques for credit analysis and payment before a transaction can be consummated.

BSPR:
In accordance with a first embodiment of the present invention, a system provides transactional services among sellers and buyers having no previous relationship with each other. The system includes a financial clearinghouse for receiving a registration application for registering buyers with the financial clearinghouse and also for receiving a request for goods or services from the buyers via a computer network or other electronic medium. The financial clearinghouse makes a dynamic real-time risk classification of each buyer utilizing an on-line repository of credit data, including either in-house data or data obtained from a commercial credit service. The financial clearinghouse further determines a risk-based discount rate as a function of the buyer's risk classification to establish a payment amount to a seller by the clearinghouse. The financial clearinghouse also determines a credit line for each buyer.

BSPR:
If the buyer's risk classification is acceptable, the clearinghouse provides a preliminary authorization for a proposed purchase by the buyer and transmits a request for quotation for the desired goods or services, along with the discount rate, to the seller or sellers who are electronically coupled to the financial clearinghouse via the computer network. The financial clearinghouse then receives price quotes from sellers responding to the request. The buyer may then choose to place an order from a particular seller or sellers, for example, by selecting the seller with the lowest price. The financial clearinghouse determines a final credit authorization for the amount of the transaction and then the selected seller or sellers are electronically notified of the buyer's order by the financial clearinghouse. After the seller provides a notice of shipment of the goods, the financial clearinghouse transmits the payment amount to the seller, net of the discount, and also transmits an invoice to the buyer for the purchase price of the transaction.

BSPR:
In accordance with a second embodiment of the present invention, the financial clearinghouse, the buyer and the sellers are coupled to a broker, implemented, for example, as a computer system, which provides an on-line quote and order

processing service. In accordance with the second embodiment, the financial clearinghouse can receive a registration application either directly from a potential buyer or via the broker which receives the registration application from the buyer and transmits the application to the financial clearinghouse for registering the buyer with the clearinghouse. Once the registration application is accepted by the financial clearinghouse, the broker can receive a request for goods or services from the buyer. As in the first embodiment of the present invention, the financial clearinghouse, in the processing of the buyer's registration application, utilizes an on-line repository of credit data to determine a risk classification for the buyer. The clearinghouse also determines a credit line for the buyer and a risk-based discount rate as a function of the buyer's risk classification to establish a payment amount to a seller from the clearinghouse if the buyer eventually places an order.

BSPR:
According to the second embodiment of the present invention, once the broker receives a request for goods or services from a buyer, the broker requests a preliminary authorization of the transaction from the financial clearinghouse. If the risk rating of the buyer is acceptable to the financial clearinghouse, the clearinghouse provides an approval message to the broker and the broker transmits the request for the desired goods, along with the discount rate, to the seller or sellers who are electronically coupled to the broker. The broker then receives price quotes from sellers responding to the request and transmits the quotes to the buyer. The buyer may then choose to place an order from a particular seller or sellers, for example, by selecting the seller with the lowest price. The broker submits the buyer's order to the financial clearinghouse for final credit approval. Upon final credit approval by the financial clearinghouse, the clearinghouse notifies the broker and the broker, in turn, notifies the selected seller or sellers to complete the buyer's order. After the seller provides a notice of shipment of the goods, the financial clearinghouse transmits the payment amount, less a discount fee, to the seller and also transmits an invoice to the buyer for the purchase price of the transaction.

BSPR:
The system and method according to the present invention facilitates corporate to corporate trade by providing on-line electronic trade brokerage, credit risk management and electronic payment and collection services which supports an emerging class of electronic intermediaries in wholesale commerce, referred to as electronic commerce services. The credit risk management feature of the present invention provides a dynamic risk evaluation system for obtaining on-the-fly credit evaluations of buyers to facilitate automated ordering and processing of goods, including risk-based pricing for sellers.

BSPR:
The system and method according to the present invention

benefits sellers by providing risk-based pricing, reducing
administrative expenses such as credit department, receivables
management, and collection expenses, reducing the credit risk
normally associated with small buyers, providing rapid payment
to the seller and thereby reducing the seller's working capital
requirement, and, by servicing a large number of buyers,
enabling the seller to tap into new markets.

BSPR:
The system and method according to the present invention
benefits buyers by eliminating frustrating and costly delays
associated with purchasing from new or occasional sellers,
allowing buyers to price shop among sellers via electronic
commerce for an optimal price and selection of goods without
needing a prior business relationship or to establish separate
credit facilities for each seller, reducing the buyer's
administrative expenses in submitting RFQs, POs, reconciling
invoices and making payments, and providing invoice billing.

BSPR:
The present invention accomplishes these and other objectives
by providing a system for electronically: establishing credit
approval and an accompanying credit line for the purchase of
the desired goods based on a dynamic risk classification of the
buyer (which credit line can be used with any participating
seller); placing a request for the purchase of goods; placing a
purchase order for the goods, the shipment of which triggers
payment to the seller of the goods from a financial
clearinghouse for the amount of the transaction less a discount
fee utilizing risk-based pricing; and invoicing the buyer for
payment of the purchase price of the goods by the
clearinghouse.

DRPR:
FIG. 1A shows a first embodiment of a system according to the
present invention for enabling buyers and sellers of goods to
transact with each other.

DRPR:
FIG. 1B shows a second embodiment of a system according to the
present invention for enabling buyers and sellers of goods to
transact with each other, including a broker.

DRPR:
FIG. 3A is an illustrative flow chart showing the processing of
a credit application, including determining a dynamic risk
classification of a buyer, according to the second embodiment
of the present invention.

DRPR:
FIG. 3B is an illustrative flow chart showing the processing of
a credit application, including determining a dynamic risk
classification of a buyer, according to the first embodiment of
the present invention.

DEPR:
FIG. 1A shows a first embodiment of the present invention for

enabling buyers and sellers to transact with each other. As
shown in FIG. 1A, a plurality of buyers 20 and sellers 10 are
coupled to a communications network 5. Also coupled to the
communications network 5 is a financial clearinghouse 40.

DEPR:
The communications network 5 can be an open network, such as
the Internet, or a private access network, such as a local area
network (LAN) or a private wide area network (WAN). In order to
protect the security of communications on the network 5, the
communications network 5 can include a security system. For
example, the network 5 can support authenticated, encrypted
communications between the buyers 20, sellers 10, and financial
clearinghouse 40 using known authentication and data encryption
systems. A suitable protocol for communications over the
communication network 5 can be, for example, the TCP/IP
protocol using conventional IP host addresses and names.

DEPR:
According to the present invention, a buyer 20 desires to
purchase goods from a seller 10. The financial clearinghouse 40
provides trade credit to buyers 20 and payment and collection
services to sellers 10. The sellers 10 coupled to the financial
clearinghouse 40 can be selected by the clearinghouse 40. For
example, the financial clearinghouse 40 can use performance
criteria with respect to quality and delivery of goods, and/or
require that all sellers 10 be capable of communications via
EDI in selecting sellers 10. The clearinghouse 40 also provides
an order acceptance and processing capability between buyers 20
and sellers 10. Before a buyer 20 can use the financial
clearinghouse services to purchase goods, however, the buyer 20
must complete a registration application with the financial
clearinghouse 40. The registration application can be completed
on-line via the communications network 5, or off-line via, for
example, a paper application.

DEPR:
The buyers 20 and sellers 10 are each coupled to the
communications network 5 via a buyer computer 21 and a seller
computer 11, respectively. Similarly, the financial
clearinghouse 40 is coupled to the communications network 5 via
a financial clearinghouse computer 41. The buyer computers 21,
seller computers 11 and financial clearinghouse computer 41 can
be, for example, UNIX.RTM. based computer systems. For example,
the buyer computers 21 and seller computers 11 can be IBM
compatible personal computers or workstations coupled to the
communications network 5 via a modem. The financial
clearinghouse computer 41 can be, for example, an IBM RS6000
Model C-10 computer system. Communications between the buyer
computers 21, seller computers 11 and financial clearinghouse
computer 41 are controlled by the communication network 5
protocol, such the as TCP/IP protocol. The format for
communications between the clearinghouse 40, sellers 10 and
buyers 20 may include, for example, standard ANSI X.12 EDI
formats, where applicable. Thus, the system 1A utilizes
computer systems and networks to allow buyers 20 and sellers 10
to transact business without any prior relationship between

them.

DEPR:
When the financial clearinghouse 40 receives the registration
application, the clearinghouse 40 processes the application to
determine whether or not to accept the registration
application. In making this determination, the financial
clearinghouse 40 obtains pertinent credit information on the
buyer 20 and determines a risk classification, a discount fee
and a credit limit for the buyer 20. The processing of the
registration application can be done in real time in response
to receipt of the registration application and the processing
is shown in detail in FIG. 3.

DEPR:
The risk classification represents the financial
clearinghouse's evaluation of the credit risk presented by the
buyer 20, based on a variety of factors, including for example:
the financial condition of the buyer; the industry condition
and outlook; the geographic condition and outlook; the number
of years the buyer has been in business; credit reports; any
outstanding legal actions; consumer credit report on principals
(for small entities); and bank references. This risk
classification can be determined by an algorithm in the
financial clearinghouse 40 which evaluates some or all of the
factors identified above, or can be based on a credit report
obtained from a credit reporting agency, such as a Dun &
Bradstreet.RTM. report, a TRW.RTM. report, or an EQUIFAX.RTM.
report, or by a combination of the above methods. Thus, each
buyer 20 that registers with the clearinghouse 40 obtains an
individualized risk classification based on the buyer's
particular credit information.

DEPR:
Once the clearinghouse 40 determines the risk classification
for the buyer 20, the clearinghouse 40 determines a discount
fee based on the risk classification. The discount fee
represents the percentage of the dollar value of a transaction
by the buyer 20 that the clearinghouse 40 will charge a seller
10 for facilitating the purchase by the buyer 20 through the
clearinghouse 40. Thus, the discount fee represents risk-based
pricing to the seller 10 based on the credit risk actually
presented by the buyer 20.

DEPR:
Also as part of the financial clearinghouse's processing of the
buyer's registration application, the clearinghouse 40
determines a credit line for the buyer 20 based on the credit
information obtained on the buyer.

DEPR:
Once the buyer's registration application is accepted by the
clearinghouse 40 and the risk classification, discount fee and
credit limit have been determined, the buyer 20 can request
quotes for goods and place purchase orders via the financial
clearinghouse 40.

DEPR:
The <u>buyer</u> 20 is now electronically coupled to and registered
with the clearinghouse 40, but may have no prior relationship
with the <u>sellers</u> 10. The <u>buyer</u> 20 then issues a RFQ to the
clearinghouse 40 for goods or services from <u>sellers</u> 10. The
clearinghouse 40 receives the request and assigns a transaction
ID that accompanies all messages associated with this
transaction.

DEPR:
Upon receiving the RFQ, the financial clearinghouse 40 performs
a request for risk rating (RRR) to determine preliminary
authorization for financial clearinghouse 40 financing of the
potential transaction. The RRR, for example, verifies that the
<u>buyer</u> 20 is registered with the financial clearinghouse 40 and
also provides the risk-based discount fee that has been
determined for the <u>buyer</u> 20. If the RRR is acceptable, then the
clearinghouse 40 transmits the RFQ to the <u>seller or sellers</u> 10
via the communications network 5.

DEPR:
In response to the RFQ message, the <u>seller or sellers</u> 10
provide quotes for the requested goods to the clearinghouse 40.
The clearinghouse 40 gathers all of the quotes and forwards
them to the <u>buyer</u> 20. The <u>buyer</u> 20 identifies the desired goods
and <u>sellers,</u> based on the responsive quotes, and the <u>buyer</u> 20
sends a PO to the clearinghouse 40. After receiving the PO, the
clearinghouse 40 performs a hard authorization for final
authorization of the transaction in the amount of the PO. The
hard authorization, for example, involves a review of the risk
classification and available credit line of the <u>buyer</u> 20 to
determine whether the clearinghouse 40 should authorize the
transaction. Exemplary rules for responding to the hard
authorization are shown in FIGS. 5A and 5B.

DEPR:
Once the clearinghouse 40 authorizes credit approval for the
amount of the PO, the PO is transmitted to the identified
<u>seller or sellers</u> 10. The <u>seller</u> 10 either accepts or rejects
the PO. If the <u>seller</u> 10 does not accept the PO, then the
clearinghouse 40 allows for negotiations between the <u>buyer</u> 20
and <u>seller</u> 10, either on-line via the communications network 5
or off-line, e.g., via a meeting or written correspondence. If
the negotiations are conducted off-line, the process can allow
for human intervention and then a subsequent resumption of
electronic processing of the transaction by the financial
clearinghouse 40. Any modifications that increase the amount of
the PO must be re-authorized by the clearinghouse 40. After the
<u>seller</u> 10 accepts the PO, the <u>seller</u> 10 ships the goods to the
<u>buyer</u> 20 and transmits a notice of shipment (NOS) to the
financial clearinghouse 40.

DEPR:
Upon receipt of the NOS, the clearinghouse 40 checks the NOS
against the PO to ensure shipment of the proper goods in
accordance with the PO and provides for either on-line or
off-line dispute resolution if there is a <u>discrepancy</u>. The

clearinghouse 40 then invoices the <u>buyer</u> 20 for the amount of
the PO and creates an account receivable. Accounts receivable
can be, for example, net 30 days. At the same time, an account
payable to the <u>seller</u> 10 is also established in the amount of
the PO less the risk-based discount fee retained by the
financial clearinghouse 40. The financial clearinghouse 40 also
can provide for disputes against the <u>seller</u> 10 for
nonperformance and/or returns by the <u>buyer</u> 20 by either an
on-line process via the communications network 5 or an off-line
process via a meeting or written correspondence.

DEPR:
Referring now to FIG. 1B, a second embodiment of the present
invention is shown for enabling <u>buyers and sellers</u> to transact
with each other. In FIG. 1B, a plurality of <u>buyers</u> 20, <u>sellers</u>
10 and a financial clearinghouse 40 are coupled to a
communications network 5. Also coupled to the communications
network 5 is a broker 30 that provides an on-line order
acceptance and processing capability between <u>buyers</u> 20 and
<u>sellers</u> 10. The functions provided by the broker 30 can be
implemented, for example, as a computer system. Multiple
brokers 30 can be coupled to a single financial clearinghouse
40. For example, each broker 30 associated with a clearinghouse
40 can be assigned a unique number to be used in the exchange
of EDI messages between the broker 30 and the financial
clearinghouse 40. The elements shown in FIG. 1B that have the
same reference numerals as the elements shown in FIG. 1A are
the same or similar element and will not be described in detail
for FIG. 1B.

DEPR:
According to the second embodiment of the present invention, a
<u>buyer</u> 20 desires to purchase goods from a <u>seller</u> 10. The
financial clearinghouse 40 is coupled to the <u>sellers</u> 10 and
<u>buyers</u> 20, via the broker 30, for providing trade credit and
payment and collection services. <u>Sellers</u> 10 can be identified
and selected by the broker 30 as a function of performance
criteria with respect to quality and delivery of goods, and/or
requiring that all <u>sellers</u> 10 be capable of supporting EDI
communications. Before a <u>buyer</u> 20 can use the financial
clearinghouse services to purchase goods, however, the <u>buyer</u> 20
must complete a registration application with the financial
clearinghouse 40.

DEPR:
The <u>buyers</u> 20 and <u>sellers</u> 10 are each coupled to the
communications network 5 via a <u>buyer</u> computer 21 and a <u>seller</u>
computer 11, respectively. Similarly, the broker 30 and the
financial clearinghouse 40 are coupled to the communications
network 5 via a broker computer 31 and a financial
clearinghouse computer 41. The broker computer 31 can be, for
example, a UNIX.RTM. based computer system or other system, for
example, an IBM compatible personal computer or a workstation
coupled to the communications network 5 via a modem.
Communications between the <u>buyer</u> computers 21, <u>seller</u> computers
11, broker computer 31 and financial clearinghouse computer 41
are controlled by the communication network 5 protocol, such as

the TCP/IP protocol. The format for communications between the clearinghouse 40, broker 30, sellers 10 and buyers 20 may include, for example, standard ANSI X.12 EDI formats. Thus, the system 1B utilizes computer systems and networks to allow buyers 20 and sellers 10 to transact business without any prior relationship between them via a broker 30.

DEPR:
When the financial clearinghouse 40 receives the registration application, either via the broker 30 over the communications network 5 or directly from the buyer 20 via a paper application, the clearinghouse 40 processes the application to determine whether or not to accept the registration application. In making this determination, the financial clearinghouse 40 obtains pertinent credit information on the buyer 20 and determines a risk classification, a discount fee and a credit limit for the buyer 20 in the same manner as described with respect to the first embodiment of the present invention shown in FIG. 1A.

DEPR:
After completing a registration application which is accepted by the financial clearinghouse 40, the buyer 20 is registered with the clearinghouse 40, but may have no prior relationship with the sellers 10. The buyer 20 can then issue a request for quotation (RFQ) to the broker 30 for goods or services from a seller or sellers 10. The broker 30 receives the RFQ in electronic form and assigns a transaction ID that accompanies all messages associated with this transaction.

DEPR:
Upon receiving the RFQ, the broker 30 transmits a request for risk rating (RRR) to the financial clearinghouse 40 to determine preliminary authorization for clearinghouse 40 financing of the potential transaction. The RRR, for example, verifies to the broker 30 that the buyer 20 is registered with the financial clearinghouse 40 and also provides the discount fee that has been determined for the buyer 20 by the financial clearinghouse 40. The financial clearinghouse 40 provides a response to the RRR to the broker 30, which may be an ACCEPT, REJECT or PEND message. If the RRR is determined to be an ACCEPT by the clearinghouse 40, then the broker 30 transmits the RFQ 40 the seller or sellers 10 via the communications network 5.

DEPR:
In response to the RFQ message, the seller or seller 10 provide quotes for the requested goods to the broker 30. The broker 30 gathers all of the quotes and forwards them to the buyer 20. The buyer 20 identifies the desired goods and sellers based on the quotes and the buyer 20 sends a purchase order (PO) to the broker 30. After receiving the PO, the broker 30 requests a hard authorization for final authorization of the transaction in the amount of the PO from the financial clearinghouse 40. The hard authorization, for example, reviews the risk classification and available credit line of the buyer 20 to determine whether the clearinghouse 40 should authorize the

transaction. The response to the hard authorization request by the broker 30 can be an ACCEPT, REJECT or PENDING message.

DEPR:
Once the clearinghouse 40 provides an ACCEPT message to the broker 30 and thereby authorizes credit approval for the amount of the PO, the broker 30 transmits the PO to the identified seller or sellers 10. The seller 10 either accepts or rejects the PO. If the seller 10 does not accept the PO, then the broker 30 allows for negotiations between the buyer 20 and seller 10, either on-line via the communications network 5 or off-line, e.g., via a meeting or written correspondence. Any modifications that increase the amount of the PO must be re-authorized by the clearinghouse 40. After the seller 10 accepts the PO, the seller 10 ships the goods to the buyer 20 and transmits a notice of shipment (NOS) to the broker 30.

DEPR:
Upon receipt of the NOS, the broker 30 checks the NOS against the PO to ensure shipment of the proper goods in accordance with the PO and provides for dispute resolution if there is a discrepancy. After the broker 30 verifies the NOS, the clearinghouse 40 invoices the buyer 20 for the amount of the PO. Accounts receivable can be, for example, net 30 days. At the same time, accounts payable to the seller or sellers 10 are also established in the amount of the PO less the discount fee retained by the financial clearinghouse 40. The broker 30 can handle disputes against the seller 10 for nonperformance and returns by the buyer 20.

DEPR:
The message processor 42 receives messages from a buyer 20 or seller 10, in accordance with the first embodiment of the present invention, or from a broker 30, in accordance with the second embodiment of the present invention. The message processor 42 can be, for example, an IBM RS6000 Model 250 computer system. There is a firewall between the message processor 42 and the financial clearinghouse main processor 41. Thus, for example, the message processor 42 receives an electronic message from a broker 30 via the communications network 5. The message processor 42 transmits the received message to the EDI translator 43 so that the message can be translated from its EDI format to an ASCII format that can be read by the main processor 41. The EDI translator can be, for example, a PREMENOS.RTM. EDI translator.

DEPR:
Once the message is translated into ASCII format, the main processor 41 processes the message. The main processor 41 can be, for example, an IBM RS6000 Model C-10 computer system. Connected to the main processor 41 is a memory 45 used to store the data operated upon by the present invention. The memory 45 also stores an accounting package 47 for billing, collection and payment purposes, for example, the REALWORLD.RTM. accounting package or other known accounting package. Execution of the instructions of the accounting package 47 by the main processor 41 will establish an accounts receivable (A/R)

database in the memory 45 for storing pertinent data regarding amounts paid by the buyers 20 and due to sellers 10 and brokers 20, and also historical A/R data. The memory 45 also includes a database package 48, such as the ORACLE.RTM. package or other known database package. The database package 48 is programmed to provide instructions to the main processor 41 for the form of input of information into the financial clearinghouse 40, and also to provide the rules for the credit analysis performed by the financial clearinghouse (e.g. the risk classification, discount fee, and the credit line). The database package 48 also will establish a credit database in the memory 45 for storing pertinent credit data, such as risk rating, discount fee and credit limit for each buyer 20 that is registered with the financial clearinghouse 40.

DEPR:
When a message has been processed by the main processor 41, and in response a message is to be transmitted from the financial clearinghouse to a buyer 20, seller 10 or broker 30, then the message output from the main processor 41 is translated by a reverse EDI translator 46. The reverse EDI translator, for example, a PREMENOS.RTM. Reverse EDI Translator, translates the main processor 41 message from its ASCII format back to the EDI format which is used for communications via the communications network 5.

DEPR:
The financial clearinghouse 40 can support either paper invoicing, electronic invoicing or electronic debit for billing and payment. Electronic invoicing, for example, can be accomplished by the use of standard EDI messages. Automatic debiting for payment from the buyer 20 to the financial clearinghouse 40 can be accomplished, for example, by the use of standard Authorized Clearing House ("ACH") debit transactions. Similarly, the financial clearinghouse 40 can support check, ACH or EFT options for payments to the sellers 10.

DEPR:
FIGS. 3A and 3B each show an illustrative flowchart of the processing of a registration application from a potential buyer 20 by the financial clearinghouse 40 according to the present invention. In step S1, the financial clearinghouse receives a completed registration application from the buyer 20. The completed registration application can be received by the clearinghouse 40 in several ways. According to the first embodiment of the present invention, the buyer's computer 21 establishes a connection with the financial clearinghouse computer 41 and the buyer 20 is prompted to provide the required information, for example, via a pull-down screen. According to the second embodiment of the present invention, the buyer's computer 21 establishes a connection with the broker's computer 31 and the buyer 20 is prompted to provide the required information. The broker 30 then forwards the completed application to the financial clearinghouse 40. Alternatively, the buyer 20 could complete the credit application off-line, such as by a paper application mailed to

the financial clearinghouse 40 for processing.

DEPR:
The type of information required for the credit application can include, for example, general business information, business demographics information, and purchase order information. General business information includes, for example, the buyer's name, address, phone number and authorized officials. Business demographics information includes, for example, the type of business structure (e.g., public corporation, private corporation, government, etc.), the nature of the business, annual sales, years in business and bank references. Purchase order information includes, for example, an invoice mailing address, an accounts payable contact and purchase order requirements.

DEPR:
Once the financial clearinghouse 40 receives the registration application, in step S2 the financial clearinghouse determines a risk classification of the buyer. As discussed earlier, the risk classification is based on a variety of factors including for example: the financial condition of the buyer; the industry condition and outlook; the geographic condition and outlook; the number of the buyer's years in business; credit reports; any outstanding legal actions; consumer credit report on principals (for small entities); and bank references. The risk classification represents the financial clearinghouse's evaluation of the credit risk presented by each individual buyer 20. In addition, "artificial intelligence" or "neural network" systems can be incorporated into the risk classification determination to identify transactions or trends which depart from the general trend for the buyer 20, or which suggest a pattern of declining credit quality.

DEPR:
The risk classification can be, for example, a numerical value of 1 through 5, wherein risk classification 1 represents a low credit risk, risk classification 2 represents a moderate credit risk, risk classification 3 represents an average credit risk, risk classification 4 represents significant credit risk and risk classification 5 represents high credit risk. A risk classification of 0 indicates that the buyer is bankrupt or a debtor in possession. The risk classification can be determined as a function of the factors mentioned above, based on information provided by the buyer and on-line credit information obtained from commercial credit reporting services, such as TRW.RTM., EQUIFAX.RTM. and Dun & Bradstreet.RTM. credit services. The risk classification can also be obtained on-line directly from a commercial credit report, such as a Dun & Bradstreet.RTM. credit report.

DEPR:
In step S3, the financial clearinghouse 40 determines whether the buyer has an acceptable risk classification. For example, if the buyer 20 has been in business for less than three years, has no credit score report from a recognized credit reporting agency, has a risk classification of 0, has no reported trade

references, or has a risk classification of 5 in conjunction
with an unsatisfactory payment history rating, then the <u>buyer</u>
20 has an unacceptable risk classification. If one of the above
conditions is satisfied, the financial clearinghouse 40 will
reject the application in step S4 and inform the broker of the
rejection. Otherwise, the <u>buyer's</u> risk classification is
acceptable and the financial clearinghouse continues processing
the registration application.

DEPR:
In step S5, <u>buyer</u> acceptance criteria are applied against the
<u>buyer's</u> risk classification. Thus, even if the <u>buyer</u> 20 passes
step S4, the registration application can still be rejected by
the financial clearinghouse 40 if, for example, the <u>buyer</u> 20 is
engaged in illegal activities, operates within certain
designated industries, or is located in a country with which
commerce is restricted pursuant to government regulations. If
the <u>buyer</u> 20 fails to pass the <u>buyer</u> acceptance criteria, the
registration application is rejected in step S4. If the <u>buyer</u>
acceptance criteria are satisfied, however, then the financial
clearinghouse 40 determines a credit line for the <u>buyer</u> 20 in
step S6.

DEPR:
The credit line established for the <u>buyer</u> 20 in step S6 can be
determined as a function of the average high credit extended to
the <u>buyer</u> 20 and the <u>buyer's</u> risk classification score. Table 1
shows a set of exemplary rules for establishing the credit
limit for a <u>buyer</u> 20 based on average high credit and risk
classification.

DEPR:
Both the credit line and the risk classification can have
associated expiration dates to ensure that the <u>buyer's</u>
creditworthiness remains current. Extensions of new credit will
not be automatically made, for example, once the expiration
date is reached. The financial clearinghouse 40 can instead
automatically select <u>buyers</u> 20 with expiring credit limits or
risk classifications, automatically review and adjust the
values or terminate the <u>buyer's</u> credit.

DEPR:
In step S7, the financial clearinghouse determines a discount
fee for the <u>buyer</u>. The discount fee can be determined as a
function of the risk classification, as shown by Table 2.

DEPR:
FIG. 4 is an illustrative flowchart of a buy/sell transaction
according to the second embodiment of the present invention.
The flowchart illustrates the steps performed by the system
following step S8 shown in FIG. 3 (i.e., after the <u>buyer</u> 20 is
informed of acceptance by the financial clearinghouse 40).

DEPR:
Once a <u>buyer</u> 20 has registered with the financial clearinghouse
40, in step S10 the <u>buyer</u> 20 sends a request for quotation
(RFQ) to the broker 30. The broker 30 receives the RFQ in step

S11 and then sends a request for risk rating (RRR) message to
the financial clearinghouse 40. In response to the RRR message
from the broker 30, in step S12 the financial clearinghouse 40
responds with an ACCEPT, REJECT OR PENDING message to the
broker 30.

DEPR:
If the clearinghouse 40 provides a REJECT message indicating
that the buyer 20 has been rejected by the clearinghouse 40 for
credit, then in step S13.1 the broker 30 sends a message to the
buyer 20 informing the buyer of the rejection. In step S13.2,
the buyer 20 can contact the clearinghouse 40 directly
regarding the rejection. If the clearinghouse 40 provides an
ACCEPT message indicating that the buyer 20 is registered with
the clearinghouse 40, then in step S14 the broker 30 transmits
the RFQ to the appropriate seller or sellers 10.

DEPR:
The clearinghouse 40 provides a PENDING message when the RRR is
received at a time when the clearinghouse 40 is not available,
e.g., the financial clearinghouse computer 41 is down, or if
there is an error detected in the RRR message. In step S15.1,
the broker 30 waits for the clearinghouse 40 to process the RRR
and provide either an ACCEPT or REJECT message. In step S15.2,
the broker 30 receives either an ACCEPT or REJECT message from
the financial clearinghouse 40. If the message is a REJECT,
then the broker 30 informs the buyer 20 of the rejection via
step S13.1, and the buyer can contact the clearinghouse
regarding the rejection in step S13.2. If the message is an
ACCEPT, however, then the broker transmits the RFQ to the
appropriate seller or sellers 10 in step S14.

DEPR:
In step S16, the seller or sellers 10 receive the RFQ and in
response, transmit a quotation for the goods to the broker 30.
In step S17, the broker 30 assembles all of the received quotes
and transmits the quotes to the buyer 20. In step S18, the
buyer 20 selects the desired goods and the seller or sellers 10
from whom the buyer 20 wants to purchase the goods. Then, the
buyer 20 sends a purchase order (PO) to the broker 30. The
broker 30 receives the PO from the buyer 20 in step S19 and
transmits a request for a hard authorization to the financial
clearinghouse 40.

DEPR:
The hard authorization represents the financial clearinghouse's
final authorization for financing the transaction between the
buyer 20 and the seller or sellers 10 in the amount of the PO.
The financial clearinghouse 40 processes the hard authorization
in step S20 and responds with an ACCEPT, REJECT or PENDING
message to the broker 30. Exemplary of the rules used by the
financial clearinghouse 40 to determine the response to the
hard authorization request are shown in FIGS. 5A and 5B.

DEPR:
If the financial clearinghouse 40 provides the broker 30 with a
REJECT message in response to the hard authorization request,

the broker 30 informs the buyer 20 of the rejection in step
S21.1 and the buyer 20 can contact the financial clearinghouse
40 directly, either on-line or off-line, regarding the
rejection in step S21.2. If the financial clearinghouse 40
provides the broker 30 with an ACCEPT message in response to
the hard authorization request, the clearinghouse 40 freezes
the credit line of the buyer 20 in the amount of the PO in step
S22. Once the financial clearinghouse 40 freezes the credit
line of the buyer 20, the amount of the line that is frozen
cannot be used for other transactions by the buyer 20 until the
freeze is lifted. Thus, the buyer 20 can only seek further
clearinghouse financing with any remaining portion of the
credit line ("the open-line").

DEPR:
If the financial clearinghouse 40 provides the broker 30 with a
PENDING message in response to the hard authorization request,
in step S23.1 the financial clearinghouse conducts additional
on-line or off-line processing to determine whether to accept
or reject the request, and, the broker 30 waits for the
subsequent ACCEPT or REJECT message. If the clearinghouse 40
provides a REJECT message, the broker 30 informs the buyer 20
of the rejection in step S21.1 and the buyer 20 can directly
contact the financial clearinghouse 40 in step S21.2. If the
clearinghouse provides an ACCEPT message, however, then the
clearinghouse freezes the credit line of the buyer 20 in the
amount of the PO in step S22.

DEPR:
After the broker 30 receives an ACCEPT message from the
financial clearinghouse 40 in response to a hard authorization
request, the broker 20 transmits the PO to the appropriate
seller or sellers 10 in step S23. In step S24, the seller or
sellers 10 process the PO and responds to the broker 30 with an
ACCEPT, REJECT or MODIFY message.

DEPR:
If the seller or all sellers 10 provide the broker 30 with a
REJECT message, the broker 30 cancels the transaction in step
S26.1 and the buyer 20, the seller or sellers 10, and the
financial clearinghouse 40 receive a CANCEL message in step
S26.2. If the seller or sellers 10 provide the broker 30 with
an ACCEPT message in response to the PO, then the broker 30
sends a CONFIRMATION message to all parties in step S26.

DEPR:
If the seller or sellers 10 provide the broker 30 with a MODIFY
message in response to the PO, however, then the broker 30
negotiates a modified PO between the buyer 20 and seller or
sellers 10 in step S25.1. Step S25.1 can be done either on-line
via the communication network 5 or off-line. If the
negotiations are conducted off-line, the process can allow for
human intervention and then a resumption of electronic
processing of the transaction by financial clearinghouse 40. In
step S25.2, the buyer 20 and the seller or sellers 10 either
ACCEPT or REJECT the modified PO. If the broker 30 receives a
REJECT message from either party, then the broker 30 cancels

the transaction in step S26.1 and all parties receive a CANCEL
message in step S26.2. If the broker 30 receives an ACCEPT
message from both parties, however, then in step S27 the broker
determines whether the amount of the PO changed. If the amount
of the PO changed, then in step S28 the broker 30 transmits a
request to change authorization (RCA) message to the financial
clearinghouse 40 which may include an authentication from the
buyer 20. If the amount of the PO did not change, then the
broker 30 sends a CONFIRMATION message to all parties in step
S26.

DEPR:
In step S29, the financial clearinghouse 40 provides the broker
30 with an ACCEPT, REJECT or PENDING message in response to the
RCA message from the broker 30. If the broker receives a REJECT
message from the financial clearinghouse 40, then the broker 30
negotiates a modified PO between the buyer 20 and seller 10,
starting with step S25.1. The negotiations between the buyer 20
and seller 10 via the broker 30 can continue until the modified
PO is agreed upon and a time limit on the hard authorization
APPROVAL provided by the financial clearinghouse 40 does not
expire. If the broker 30 receives an ACCEPT message from the
financial clearinghouse 40 in response to the RCA message from
the broker 30, the broker 30 sends a CONFIRM message to all
parties in step S26.

DEPR:
If the broker 30 receives a PENDING message from the financial
clearinghouse 40 in response to the RCA message from the broker
30, the broker 30 waits for either an ACCEPT or REJECT message
from the financial clearinghouse 40 in step S30.1 while the
clearinghouse processes the changed PO, either on-line or
off-line. If the broker 30 receives a REJECT message in step
S30.2, then the broker 30 negotiates a modified PO between the
buyer 20 and seller 10 starting with step S25.1. If the broker
30 receives an ACCEPT message in step S30.2, however, then
broker 30 sends a CONFIRM message to all the parties in step
S26. The financial clearinghouse 40 adjusts the amount of the
frozen credit line in response to the amount of the modified
PO.

DEPR:
Once the seller or sellers 10 receive the CONFIRM message from
the broker 30, the seller or sellers 10 begin processing the
agreed upon PO in step S31. After the seller or sellers 10
complete the buyer's PO, in step S32 the seller or sellers 10
transmits a notice of shipment (NOS) to the broker 30. The
seller or sellers 10 can transmit a complete NOS or a partial
NOS. In step S33, the broker 30 compares the NOS received from
the seller or sellers 10 with the PO to determine whether the
NOS matches the PO and represents a complete NOS or a partial
NOS. If the NOS received from the seller or sellers 10 matches
the PO and represents either the complete amount or a partial
amount of the PO, then in step S34, the NOS is transmitted to
the financial clearinghouse 40 for processing against the
buyer's credit line. As the financial clearinghouse 40
processes the NOS, the credit line of the buyer 20 is reduced

by the amount of the NOS. The credit line is restored as the buyer 20 pays the resulting invoice from the clearinghouse 40.

DEPR:
In step S35, the broker 30 determines whether the PO has been completed by the seller or sellers 10, which may take multiple NOSs. When the PO is complete, the broker 30 sends a CLOSE PO message to the financial clearinghouse 40.

DEPR:
If there is a discrepancy between the NOS and the PO, in step S36 the broker 30 negotiates the NOS dispute between the buyer 20 and the seller or sellers 10 so that the buyer 10 either ACCEPTS or REJECTS the NOS from the seller or sellers 10 in step S37. If the buyer 10 REJECTS the NOS in step S37, then the broker 30, in step S38, cancels the transaction, sends a CANCEL message to all of the parties (buyer 20, seller or sellers 10, financial clearinghouse 40) and attempts to retrieve any goods already shipped to the buyer 10. If the buyer 10 ACCEPTS the NOS in step S37, then the broker sends the NOS to the financial clearinghouse 40 for processing against the buyer's credit line in step S39.

DEPR:
FIG. 5A illustrates an exemplary set of rules used by the financial clearinghouse 40 according to the present invention to respond to a hard authorization request from a broker 30 when a buyer 20 has placed a PO with the broker 20, and the PO amount is equal to or less than the Open Line. As shown in FIG. 5A, the hard authorization rules depend on the following factors: the Buyer's Risk Classification; the Available Open Line (i.e., the buyer's credit line minus any existing balance owed to the financial clearinghouse 40 minus any amount of the line that has been frozen in response to another authorized PO of the buyer 20); Open invoices; the buyer's Payment History; and the Authorization Amount. In addition, the response to a hard authorization request can depend on the number of disputed transactions involving the buyer 30.

DEPR:
The Risk Classification factor refers to the buyer's risk classification, i.e. the rating of 1 to 5 that is generated by the financial clearinghouse 40 or is obtained directly from a commercial credit report on the buyer 20. The Available Open Line Factor refers to whether the buyer has credit line available for the current transaction. The Available Open Line can also include a dispute indicator which indicates when a buyer 20 disputes an invoice from the financial clearinghouse 40 (e.g., the buyer 20 refuses to pay an invoice because of some dissatisfaction with the goods delivered by the seller 10, and the invoice becomes past due). Thus, for example, if the buyer 20 disputes three or more invoices that have become past due, then the financial clearinghouse 40 resets the buyer's credit line to 0. Accordingly, the Available Open Line becomes 0 and the buyer 20 cannot complete a purchase through the financial clearinghouse 40. In addition, any invoice that is disputed is treated as frozen and thus subtracted from the

buyer's credit line for determining the Available Open Line.

DEPR:
The Open invoices factor refers to outstanding invoices due to
the financial clearinghouse 40 by the buyer 20. If there are
outstanding invoices, the open invoices factor also includes
how many days the invoice is past due, e.g., less than 30 days,
between 30 and 44 days or greater than 45 days. The Payment
History factor refers to the buyer's payment history with the
financial clearinghouse 40 for the past six months. The Payment
History factor includes how many days the buyer's payments to
the financial clearinghouse 40 were past due, e.g. greater than
15, 30 or 45 days past due.

DEPR:
As a function of the factors shown in FIG. 5A, a response of
the financial clearinghouse 40 to a hard authorization request
is either an APPROVAL, PEND or REJECT. Once the financial
clearinghouse 40 provides an APPROVAL message, the APPROVAL
message has a time limit within which the buyer 20 and seller
10 must agree upon the PO. While the system according to the
present invention provides for negotiations of disputes over
the PO, agreement between the parties must be reached before
the hard authorization response expires, or otherwise a new
request for a hard authorization must be made by the broker 20.

DEPR:
For example, if a buyer 20 is a risk classification 4, has
available open line, has open invoices against the financial
clearinghouse 40 that are 16-30 days past due, has no payments
to the financial clearinghouse 40 in the past six months that
were more than 30 days past due, and the amount of the PO is
less than or equal to the available open line, then the
response of the financial clearinghouse 40 to a hard
authorization request from a broker 30 shown in FIG. 5A would
be an APPROVAL. At this time, the financial clearinghouse 40
freezes a portion of the buyer's credit line equal to the
amount of the PO.

DEPR:
If, however, a buyer 20 is a risk classification 1, 2 or 3, has
available open line, has at least one open invoice against the
financial clearinghouse 40 that is 30-44 days past due, has at
least one payment to the financial clearinghouse 40 in the past
six months that was greater than 45 days past due, and the PO
amount is equal to or less than the buyer's available open
line, then the response of the financial clearinghouse 40 to a
hard authorization request from the broker 30 shown in FIG. 5A
would be a PEND. In response to the PEND message, the financial
clearinghouse 40 evaluates additional credit and payment
information, such as payment trends of the buyer 20 obtained
from a commercial credit report. Based on the evaluation of the
additional information, the financial clearinghouse 40 then
provides the broker 30 with an APPROVAL or a REJECT message.
The evaluation of additional information by the financial
clearinghouse 40 can be done on line or can be done off-line,

allowing for human intervention by financial clearinghouse 40 personnel and a subsequent resumption of electronic processing of the transaction.

DEPR:
Also, as shown in FIG. 5A, regardless of the risk classification of the buyer 20, if the buyer 20 has no available open line, the financial clearinghouse 40 provides a PEND message in response to a hard authorization request from a broker 30. In response to the PEND message, the financial clearinghouse 40 reviews the amount of the current credit line of the buyer 20 for possible adjustment and then provides either an APPROVAL or REJECT message to the broker 30.

DEPR:
FIG. 5B illustrates an exemplary set of rules used by the financial clearinghouse 40 according to the present invention to respond to a hard authorization request from a broker 30 when a buyer 20 has placed a PO with the broker 30, and the PO amount is up to 10% greater than the credit line of the buyer 20. As shown in FIG. 5B, the hard authorization rules depend on the same factors shown in FIG. 5A and thus the factors will not be described further. The rules shown in FIG. 5B operate similarly to the rules shown in FIG. 5A. For example, if a buyer 20 is a risk classification 4, has available open line, has no open invoices against the financial clearinghouse 40, had more than one payment that was at least 1-15 days past due, and the PO amount is less than or equal to 10% over the buyer's open line, the financial clearinghouse 40 provides a REJECT message in response to a hard authorization request from the broker 30.

DEPL:
Thus, for a buyer 20 with a risk classification 1, the average high credit value for the buyer 20 is multiplied by 3 to determine the amount of the buyer's credit line. Similarly, for a risk classification 5, the average high credit value is multiplied by 1 to determine the credit limit. The average high credit value is a measure of the credit balances historically carried by the buyer 20 and is readily determinable by an algorithm of the financial clearinghouse 40 based on buyer-supplied information and external credit sources, or the value can be obtained directly from a commercial credit report. Alternatively, other information can be used to set the credit limit, such as median high credit. The financial clearinghouse 40 also can set a cap on the credit line to be extended to any buyer 20, regardless of the buyer's risk classification.

DEPL:
Thus, for example, for a buyer 20 with a risk classification 1, the discount fee can be within a selectable range X, such as 2%-4%. Similarly, for a buyer 20 with a risk classification 5, the discount fee can be in a selectable range X+6, such as 8%-10%. For example, a $1,000 purchase by a buyer 20 would result in the seller 10 being paid $980 ($1,000-$20) for a risk classification 1 buyer and an X=2% discount fee, but only paid $920 ($1,000-$80) if the buyer 20 had a risk classification 5

and an 8% (8%=X+6%, where X=2%) discount fee. Thus, the discount fee determined by the present invention is a risk-based fee reflective of the credit risk presented by each buyer 20. In step S8, the buyer 20 is informed of acceptance of the credit application by the financial clearinghouse 40.

CLPR:
1. A financial clearinghouse for providing transactional services among at least one seller and a plurality of buyers, the financial clearinghouse being coupled to the at least one seller and to each of the plurality of buyers via a communications network, the financial clearinghouse comprising:

CLPR:
6. A financial clearinghouse for providing transactional services to a plurality of sellers and a plurality of buyers, the financial clearinghouse being coupled to each of the plurality of sellers and to each of the plurality of buyers via a communications network, the financial clearinghouse comprising:

CLPR:
9. A computer-implemented method of providing transactional services among at least one seller and a plurality of buyers, comprising the steps of:

CLPR:
14. A computer-implemented method for providing transactional services among at least one seller and a plurality of buyers, the method comprising the steps of:

CLPR:
16. A system for providing transactional services among a plurality of sellers and a plurality of buyers, the system comprising:

CLPV:
means for automatically determining a risk classification for one of the plurality of buyers;

CLPV:
means for automatically determining a risk-based discount fee for the one of the plurality of buyers as a function of the risk classification, the discount fee establishing a percentage of a purchase price of goods or services requested by the one of the plurality of buyers which will be transmitted to the at least one seller;

CLPV:
means for authorizing one of a request for goods or services and an acceptance of the request for goods and services;

CLPV:
means for automatically transmitting an amount equal to the purchase price less the discount fee multiplied by the purchase price to the at least one seller; and

CLPV:
means for automatically transmitting an invoice in an amount
equal to the purchase price to the one of the plurality of
buyers.

CLPV:
wherein the means for automatically determining the risk
classification is responsive to a registration application from
the one of the plurality of buyers, and further comprising:

CLPV:
means for receiving the request for goods or services from the
one of the plurality of buyers;

CLPV:
means for forwarding the request for goods or services to the
at least one seller; and

CLPV:
means for receiving at least one of the acceptance of the
request and a rejection of the request from the at least one
seller.

CLPV:
wherein the first predetermined criteria and the second
predetermined criteria include whether a notice of shipment has
been received from the seller.

CLPV:
a broker coupled between the at least one seller and the
plurality of buyers via a communications network, the broker
including

CLPV:
means for receiving the request for goods or services from one
of the plurality of buyers,

CLPV:
means for forwarding the request for goods or services to the
at least one seller, and

CLPV:
means for receiving at least one of the acceptance of the
request and a rejection of the request from the at least one
seller.

CLPV:
means for receiving a registration application from one of the
plurality of buyers;

CLPV:
means for automatically determining a risk classification for
the one of the plurality of buyers based on credit information
retrieved from an on-line credit repository in response to
receipt of the registration application;

CLPV:
means for automatically determining a risk-based discount fee
as a function of the risk classification, the discount fee
establishing a percentage of a purchase price of goods or
services requested by the one of the plurality of buyers which
will be transmitted to the plurality of sellers;

CLPV:
means for receiving a request for goods or services from one of
the plurality of buyers;

CLPV:
means for forwarding the request for goods or services to at
least one of the plurality of sellers;

CLPV:
means for receiving at least one of an acceptance and a
rejection of the request for goods or services from the at
least one of the plurality of sellers;

CLPV:
means for enabling the one of the plurality of buyers to select
at least one of the plurality of sellers providing an
acceptance;

CLPV:
means for authorizing at least one of the request for goods or
services and the acceptance of the request for goods or
services;

CLPV:
means for transmitting an amount equal to the purchase price
less the discount fee multiplied by the purchase price to the
one of the plurality of sellers selected by the one of the
plurality of buyers; and

CLPV:
means for transmitting an invoice in an amount equal to the
purchase price to the one of the plurality of buyers.

CLPV:
automatically determining a risk classification for one of the
plurality of buyers;

CLPV:
automatically determining a risk-based discount fee for the one
of the plurality of buyers as a function of the risk
classification, the discount fee establishing a percentage of a
purchase price of goods or services requested by the one of the
plurality of buyers which will be transmitted to the at least
one seller;

CLPV:
authorizing one of a request for goods or services and an
acceptance of the request for goods and services;

CLPV:

automatically transmitting an amount equal to the purchase
price less the discount fee multiplied by the purchase price to
the at least one seller; and

CLPV:
automatically transmitting an invoice in an amount equal to the
purchase price to the one of the plurality of buyers.

CLPV:
wherein the step of automatically determining the risk
classification is responsive to a registration application from
the one of the plurality of buyers, and further comprising the
steps of:

CLPV:
receiving the request for goods or services from the one of the
plurality of buyers;

CLPV:
forwarding the request for goods or services to the at least
one seller; and

CLPV:
receiving at least one of the acceptance of the request and a
rejection of the request from the at least one seller.

CLPV:
wherein the first predetermined criteria and the second
predetermined criteria include whether a notice of shipment has
been received from the seller.

CLPV:
wherein a broker is coupled between the at least one seller and
the plurality of buyers via a communications network, and
further comprising the steps of:

CLPV:
receiving, in a financial clearinghouse, a registration
application from one of the plurality of buyers;

CLPV:
automatically determining a risk classification for the one of
the plurality of buyers in response to receipt of the
registration application;

CLPV:
determining a risk-based discount fee as a function of the risk
classification, the discount fee establishing a percentage of a
purchase price of the goods or services which will be
transmitted to the seller;

CLPV:
receiving, in the financial clearinghouse, a request for goods
or services from one of the plurality of buyers;

CLPV:
forwarding the request for goods or services to the seller;

CLPV:
receiving at least one of an acceptance and a rejection of the
request for goods or services from the seller;

CLPV:
authorizing at least one of the request for the goods or
services and the acceptance of the request for goods or
services;

CLPV:
if an acceptance is received, transmitting an amount equal to
the purchase price less the discount fee multiplied by the
purchase price to the seller; and

CLPV:
transmitting an invoice in an amount equal to the purchase
price to the one of the plurality of buyers.

CLPV:
wherein the step of receiving one of an acceptance and a
rejection further includes receiving a notice of shipment of
the goods or services to the one of the plurality of buyers
from the seller, and

CLPV:
wherein the step of transmitting an amount equal to the
purchase price less the discount fee further includes
transmitting an amount equal to the purchase price less the
discount fee multiplied by the purchase price to the seller
after the notice of shipment is received.

CLPV:
a broker coupled between the plurality of sellers and the
plurality of buyers via a communications network, the broker
including means for receiving at least one of a registration
application from one of the plurality of buyers and a request
for goods or services from one of the plurality of buyers, the
request including information identifying the one of the
plurality of buyers;

CLPV:
wherein, in the financial clearinghouse, the means for
receiving the one of an acceptance and a rejection further
includes means for receiving a notice of shipment of the goods
or services to the one of the plurality of buyers, and

CLPV:
wherein the means for transmitting an amount further includes
means for transmitting an amount equal to the purchase price
less the discount fee multiplied by the purchase price to the
selected one of the plurality of sellers when an acceptance of
the request and a notice of shipment is received.

CLPW:
receiving, by the broker, the request for goods or services
from one of the plurality of buyers,

CLPW:
forwarding the request for goods or services from the broker to
the at least one seller, and

CLPW:
receiving, in the broker, at least one of the acceptance of the
request and a rejection of the request from the at least one
seller.

CLPW:
means for receiving the registration application from one of
the plurality of buyers from the broker;

CLPW:
means for determining, in real time, a risk classification for
the one of the plurality of buyers based on credit information
retrieved from an on-line credit repository in response to
receipt of the credit application,

CLPW:
means for determining a discount fee as a function of the risk
classification, the discount fee establishing a percentage of a
purchase price of the goods or services which will be
transmitted to at least one of the plurality of sellers,

CLPX:
means for transmitting the discount fee and the request for
goods or services to at least one of the plurality of sellers,

CLPX:
means for receiving at least one of an acceptance and a
rejection of the request for goods or services from the at
least one of the plurality of sellers;

CLPX:
means for allowing the one of the plurality of buyers to select
at least one of the at least one of the plurality of sellers
providing an acceptance;

CLPX:
means for transmitting the one of an acceptance and a rejection
of the request for goods or services to the financial
clearinghouse;

CLPY:
means for receiving the one of an acceptance and a rejection of
the request for goods or services from the broker,

CLPY:
if an acceptance is received, means for authorizing the
acceptance by the one of the plurality of buyers,

CLPY:
means for transmitting an amount equal to the purchase price
less the discount fee multiplied by the purchase price to the
selected one of the plurality of sellers, and

CLPY:
means for transmitting an invoice in an amount equal to the
purchase price to the one of the plurality of <u>buyers</u>.

WEST

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Search Results - Record(s) 1 through 8 of 8 returned.

☐ 1. Document ID: US 6202054 B1

L2: Entry 1 of 8   File: USPT   Mar 13, 2001

US-PAT-NO: 6202054
DOCUMENT-IDENTIFIER: US 6202054 B1
TITLE: Method and system for remote delivery of retail banking services

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 2. Document ID: US 6151582 A

L2: Entry 2 of 8   File: USPT   Nov 21, 2000

US-PAT-NO: 6151582
DOCUMENT-IDENTIFIER: US 6151582 A
TITLE: Decision support system for the management of an agile supply chain

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 3. Document ID: US 6078906 A

L2: Entry 3 of 8   File: USPT   Jun 20, 2000

US-PAT-NO: 6078906
DOCUMENT-IDENTIFIER: US 6078906 A
TITLE: Method and system for providing a document service over a computer network using an automated brokered auction

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 4. Document ID: US 5952638 A

L2: Entry 4 of 8   File: USPT   Sep 14, 1999

US-PAT-NO: 5952638
DOCUMENT-IDENTIFIER: US 5952638 A
TITLE: Space efficient method of electronic payments

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 5.   Document ID: US 5913203 A

L2: Entry 5 of 8   File: USPT   Jun 15, 1999

US-PAT-NO: 5913203
DOCUMENT-IDENTIFIER: US 5913203 A
TITLE: System and method for pseudo cash transactions

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 6.   Document ID: US 5870724 A

L2: Entry 6 of 8   File: USPT   Feb 9, 1999

US-PAT-NO: 5870724
DOCUMENT-IDENTIFIER: US 5870724 A
TITLE: Targeting advertising in a home retail banking
delivery service

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 7.   Document ID: US 5826244 A

L2: Entry 7 of 8   File: USPT   Oct 20, 1998

US-PAT-NO: 5826244
DOCUMENT-IDENTIFIER: US 5826244 A
TITLE: Method and system for providing a document service
over a computer network using an automated brokered auction

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

☐ 8.   Document ID: US 5732400 A

L2: Entry 8 of 8   File: USPT   Mar 24, 1998

US-PAT-NO: 5732400
DOCUMENT-IDENTIFIER: US 5732400 A
TITLE: System and method for a risk-based purchase of goods

| Full | Title | Citation | Front | Review | Classification | Date | Reference | | KWIC | Draw Desc | Image |

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Terms	Documents
reconcil$ and (discrepancy or differen$) and buyers and sellers and (request adj2 (good or services))	8

| Display | | 20 | Documents, starting with Document: | 8 |

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